

## **Assembly Bill No. 1346**

### **CHAPTER 774**

An act to add Section 22896 to the Government Code, relating to postemployment health benefits.

[Approved by Governor October 12, 2013. Filed with  
Secretary of State October 12, 2013.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1346, Pan. Postemployment health benefits: Sacramento Metropolitan Fire District: employer contributions.

Existing law requires the Board of Administration of the Public Employees' Retirement System to administer the Public Employees' Medical and Hospital Care Act. Existing law permits a contracting agency to elect to be subject to the act for its employees and annuitants, provided that the contracting agency and each employee or annuitant contribute a portion of the cost of providing the benefit coverage, as specified. Under this formulation, the employer contribution for the contracting agency begins at 10 years of service and reaches 100% of a specified amount when the employee attains 20 years of credited service, with certain exceptions. Existing law provides alternate formulations for specified contracting agencies.

This bill would provide an additional exception by requiring the employer contribution for postretirement health benefit coverage for an annuitant of the Sacramento Metropolitan Fire District who retires on or after the effective date of a memorandum or resolution related to employer contributions, to be based on a revised formula in which the employer contribution begins at 5 years of service, instead of 10 and would reach 100% of a specified amount if the annuitant attained 20 years of credited service, with certain exceptions. The bill would require that the Sacramento Metropolitan Fire District provide to the board a specified notification and any additional information requested by the board that the board deems necessary to implement the section. The bill would exempt from the formulation described annuitants who have retired for disability or who have retired for service with 20 or more years of service with the Sacramento Metropolitan Fire District, as specified. This bill would apply only to employees hired on or after December 1, 2011.

*The people of the State of California do enact as follows:*

SECTION 1. Section 22896 is added to the Government Code, to read:

22896. (a) Notwithstanding Section 22892, the percentage of employer contribution payable for postretirement health benefits for an employee of the Sacramento Metropolitan Fire District subject to this section shall, except as provided in subdivision (b), be based on the member's completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
5	25
6	30
7	35
8	40
9	45
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

The application of this subdivision shall be subject to the following:

(1) (A) In the case of the employees represented by a bargaining unit, the employer contribution with respect to each annuitant shall be determined pursuant to a memorandum of understanding approved through a meet and confer process pursuant to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1) with any recognized employee organization. The issue shall not be subject to the impasse procedures set forth in Article 9 (commencing with Section 3548) of Chapter 10.7 of Division 4 of Title 1.

(B) In the case of employees not represented by a bargaining unit, the employer contribution with respect to each annuitant shall be determined pursuant to a resolution adopted by a majority of the Sacramento Metropolitan Fire District Board of Directors and shall be in accordance with Section 7522.40.

(C) The employer contribution established by this paragraph shall not be less than the adjusted employer contribution required by subdivision (b) of Section 22892.

(2) The credited service of an employee for the purpose of determining the percentage of employer contributions applicable under this section shall mean state service as defined in Section 20069, except that at least five years of service shall have been performed entirely with the Sacramento Metropolitan Fire District.

(3) The Sacramento Metropolitan Fire District shall provide, in the manner prescribed by the board, a notification of the agreement and resolution adopted pursuant to paragraph (1) and any additional information necessary to implement this section.

(4) The Sacramento Metropolitan Fire District shall certify to the board, in the case of employees not represented by a bargaining unit, that there is not an applicable memorandum of understanding.

(b) Notwithstanding subdivision (a), the contribution payable by the Sacramento Metropolitan Fire District shall be equal to 100 percent of the amount established pursuant to paragraph (1) of subdivision (a) on behalf of any annuitant who either:

(1) Retired for disability.

(2) Retired for service with 20 or more years of service credit entirely with the Sacramento Metropolitan Fire District, regardless of the number of days after separation from employment. The contribution payable by the Sacramento Metropolitan Fire District under this paragraph shall be paid only if it is greater than, and made in lieu of, a contribution payable to the annuitant by another employer under this part. The board shall establish application procedures and eligibility criteria to implement this paragraph.

(c) This section applies only to the Sacramento Metropolitan Fire District, or its successor. This section applies only with regard to the employees of the district hired on or after December 1, 2011.